

# NEWS

**Fran Pavley**  
**Assemblymember, 41<sup>st</sup> District**

A MONTHLY ELECTRONIC NEWSLETTER TO THE 41<sup>st</sup> ASSEMBLY DISTRICT  
(Including Agoura Hills, Calabasas, Encino, Malibu, Hidden Hills, Lake Sherwood, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills.)

## FEBRUARY 2004 ISSUE

### Assembly Speaker Names Pavley to Fiscal Team

Nothing is going to be more challenging this year than to balance this year's budget. The collapse of the dot-com economy was a real wake-up call that our state's heavy dependence on fluctuating personal income tax revenue needs to be seriously rethought. Speaker of the Assembly Fabian Nunez has just formed his "Assembly Fiscal Team," and I am honored to be a part of that important working group. We will begin immediately on the 2004-05 budget.



The state's nonpartisan Legislative Analyst, Elizabeth Hill, commented last month on the Governor's proposed budget. She said that the Legislature faces "a formidable challenge," which includes "the appropriate mix between borrowing, spending reductions, and revenue augmentations; the viability of certain proposed solutions; and its multiyear approach to eliminating the projected out-year structural budget problem."

Also on the Fiscal Team are my colleagues Assemblymembers Darrell Steinberg, Judy Chu, Manny Diaz, John Dutra, Merv Dymally, and Joe Simitian.

### AB 1960 Targets Secret Deals on Drug Contracts

Pharmacy Benefit Managers (PBMs) are middlemen who negotiate contracts with pharmaceutical manufacturers on behalf of clients serving millions of Californians. Just four firms make up 80 percent of the national PBM market that covers over 200 million Americans. By doing bulk purchasing, PBMs negotiate rebates and other payments from drug companies in exchange for putting the companies' drugs on an approved drug list that PBMs make available to their clients. Clients include state and local governments, health plans, employers, labor unions, and others who want drugs to be affordable for their seniors, working families, and consumers throughout the state.

The problem is that PBMs have no obligation to disclose to their clients basic information about the cost of drugs they've negotiated, the rebate amounts they've received, or the fees they've collected from the drug companies. As a result, their clients are left in the dark and have no way of verifying that they're getting the best deal.



My bill, **AB 1960**, creates a fiduciary duty between Pharmacy Benefit Managers and their clients. This is a legal obligation to act in the best interest of the client rather than in one's own best interest. With respect to PBMs, becoming a fiduciary will reassure clients that they're not paying excessive prices in the absence of basic pricing information, and will push PBMs to increase disclosure. In a free market, adequate disclosure is essential to a client's ability to shop around for the best offer.

I was particularly dismayed to learn that all of the PBM disclosures were dropped by Congress from the Federal Medicare bill as a result of pressure from special interests. That bill prohibits government-negotiated drug pricing, and is going to result in much heavier reliance on Pharmacy Benefit Managers. Californians deserve better than secret back room deals that just line the pockets of middlemen. AB 1960 is going to throw the door open.

- A New York lawsuit filed in January charges the nation's third largest PBM with receiving kickbacks from drug manufacturers to recommend higher-priced drugs.
- The American Federation of State, County and Municipal Employees is currently involved in a suit here in California alleging that the nation's four largest PBMs are inflating drug prices and pocketing the "savings" they negotiate. Those four have all refused to disclose the amount of rebates they're receiving from drug companies.

AB 1960 is sponsored by the California Labor Federation, AFL-CIO, and is part of a package of bills being introduced to stem the tide of skyrocketing prescription drug costs in California.

## **NRDC Opens Model "Green" Office**

Last month, the Natural Resources Defense Center opened its new offices in Santa Monica, 1314 Second Street, which is an extraordinary model of environmentally friendly design and construction. I was privileged to be present at the grand opening of this beautiful new site.

The U.S. Green Building Council, which is the country's leading authority on such projects, has declared the NRDC building the "greenest" in the U.S. It is so efficient in its use of resources, that it even recycles water from sinks and rain gutters to flush toilets. The floors are bamboo, which grows back very quickly. Photo sensors control the lighting, and no paints were used that release trace amounts of toxins.

One room serves as a Visitor Center, with beautiful photographs and informative charts on display on issues such as climate change. NRDC has proven once again, that they "walk the walk."

## **Air Resources Board Takes Public Comment on Implementation of AB 1493, Global Warming Bill**



On February 18, the California Air Resources Board held its first public workshop to discuss development of the climate change regulations for motor vehicles as required by my 2002 bill, **AB 1493**. The ARB estimates that passenger vehicles and light-duty trucks are responsible for about 40 percent of the total climate change emissions in this state. Control and reduction of those emissions are critical to slow the effects of global warming, which is a matter of increasing concern for public health and the environment in California. California is now leading the way, following the passage of AB 1493. It requires the ARB to develop and adopt, by January 2005, regulations that achieve the maximum feasible cost-effective reduction of greenhouse gases emitted by noncommercial passenger cars and light duty trucks. For more information on this bill, check the ARB's website at [www.arb.gov](http://www.arb.gov) and search "AB1493."

Here are just a few global warming facts put out by the South Coast Air Quality Management Department:

- In California, warmer temperatures will mean an earlier melt of the Sierra snowpack, more smog and related health problems, as well as rising sea levels and salt water intrusion.
- China's Gobi Desert expanded by 20,240 square miles between 1994 and 1999, and is now within 150 miles of Beijing.
- The temperature of the northern hemisphere since 1980 has been warmer than at any time in the last 2,000 years.
- The rate of decline of coral reefs during the last 20 years has been faster than the preceding 1,000 years.
- In 2002, the North Pole ice pack completely melted, allowing a mile-wide sea lane at the top of the Arctic. This is believed to be the first such melting in human history.
- The global sea level has increased 20 inches over the last 250 years.
- The doubling of CO<sub>2</sub> by the year 2100 is predicted to result in sea level rises of 1-3 feet by 2100, with this trend continuing.

I am very disappointed that the Bush administration will be arguing before the U.S. Supreme Court on behalf of fuel and engine manufacturing trade groups who want to overturn an AQMD requirement that large vehicle fleets buy low-emission or alternative fuel vehicles that will reduce smog and toxic emissions. The AQMD has called it "ironic" that the federal government would be aggressively trying to overturn such an action, given that the U.S. Environmental Protection Agency set the clean air rules that the AQMD is trying to meet.

The federal government has threatened the loss of billions of federal highway dollars to Southern California if we fail to meet federal clean air standards by 2010. Both Governor Arnold Schwarzenegger and California Attorney General Bill Lockyer are publicly committed to defending the legal challenges to the implementation of AB 1493.

## **Santa Monica Older Driver's Meeting**

On February 6, I attended an informative community roundtable hosted by State Senator Sheila Kuehl on the subject of older drivers. This followed the tragic accident involving an elderly driver at the Santa Monica Farmers Market last year. The comments were very interesting. Here's a sampling:

- Several senior citizens were amazed and/or shocked to learn that upon renewal of their license, they were getting an additional five-year renewal.
- Apparently there is no consideration at time of renewal of the side effects of drug prescriptions taken by elderly drivers, or any drivers.
- While some suggested that there should be some special consideration given to elderly drivers, the AARP suggests that any testing must be non-age based.
- One audience member commented that specifying an age for enhanced testing is difficult because "as we get older, we become more different, not more alike."
- Another made the point that licensing a driver is aged based at the front-end (minimum age of 16 to receive a license), so why not in later years?

## **Oak Park Activities**

- **New Library Opens** – Thanks to an innovative partnership between Ventura County and the Oak Park Unified School District, a beautiful new library has just opened on the Oak Park High School campus. Grand opening was on Feb. 8, and this energy-efficient, light and bright new facility will serve both students and the entire community. Congratulations to all who made this possible.

- **Medea Creek Middle School Honored** – As a former middle school teacher, I was delighted to learn that Medea Creek Middle School was selected by the California Department of Education and other groups as “a school to watch.” Only two other schools in the state received this honor, which recognized Medea Creek as a school which has embraced innovation, including a new differentiated learning approach to teaching which tailors lessons to the individual student’s abilities.
- **E-Waste Collection** – Earlier this month, area residents brought in excess of three tons of old computers, monitors, VCRs, etc. to the Oak Park High parking lot for safe disposal. Such materials contain toxic and hazardous materials, and should not be placed in curbside trash containers with household waste destined for landfills where such materials can leach into the soil and water table. Thank you Oak Park and Ventura County for making it easier for your residents to do the right thing. To the other cities and communities in this district, I would challenge you to work with your trash haulers to host similar events on a regular basis. Many people have old electronics sitting in their garages. E-waste collection events are the perfect opportunity for environmentally-conscious residents to bring them in for proper handling.

## Recycling ***Everything*** Makes a Difference

- Packaging makes up 1/3 of our trash.
- Recycling half the world’s paper would free 20 million acres of forest land.
- Newsprint consumes 30 million trees per year.
- 2.5 million plastic bottles are discarded every year.
- 16 aluminum cans per person totals 80 billion cans, either recycled or added to landfills.

## Ready to Buy a New Washing Machine?

Act before March 31, and the City of Oxnard is offering \$300 rebates for the purchase of high-efficiency clothes washers. These are made possible thanks to grants from the Calleguas Municipal Water District and the Metropolitan Water District. Even if you’ve already bought your washer since November 20, 2002, if it’s on their approved list, you may still qualify. For more information, contact the City at (805) 385-8136.

## Funding/Grant Opportunities

- **2004 L.A. Jr. Chamber of Commerce Scholarships**

Graduating high school seniors in L.A., Ventura, or Orange Counties should check out the \$2,000 scholarships that the LAJCC is offering. Students must reflect the mission of the LAJCC, which is to serve the community by providing innovative projects and programs that benefit at-risk youth. Applications can be downloaded from the LAJCC website at [www.lajcc.org](http://www.lajcc.org). Application **deadline is March 8, 2004.**

- **Chafee Grant Program**

The California Chafee Grant Program provides federally-funded grants of up to \$5,000 annually to qualified foster youth and former foster youth to use for either college courses or vocational school training. Applications and more information is available on-line at [www.csac.gov](http://www.csac.gov) under “Commission Programs.”

- **UCLA’s Center for Community Partnerships**

Grant funding opportunities are available for collaboration between the non-profit community in L.A. County and UCLA. Grants must pair community knowledge with UCLA faculty/staff knowledge in three broad areas: strengthening children, youth and families; fostering economic development; and promoting arts and cultural affairs. For more information, check <http://ucla.edu>, and click on Grants. Application **deadline is March 19.**



## Tu B'Shvat Tree Planting

Tu B'Shvat has been described as a Jewish Earth Day, affirming the Jewish tradition that the land is not ours to do with as we please, but comes with a responsibility of stewardship. I very much enjoyed participating in "Planting for the Future" on February 8 at Malibu Creek State Park. It was one in a series of activities celebrating the 40<sup>th</sup> Anniversary of Stephen S. Wise Temple which demonstrated their commitment to giving back to the community. An estimated 50 trees and 250 California native plants were planted at the Park, and the Nature of Wildworks put on a show for children which included a turkey vulture and a skunk, among other entertainment.



## And Visiting in the Capitol...

I very much enjoy seeing visitors and friends from the District come up to California's beautiful state capitol building. Meeting with either me and/or my staff were the following, among many others.

**L.A. City Councilmembers Dennis Zine, Cindy Miscikowski, and Janice Hahn** stopped by to discuss the state budget and its impact on L.A.'s ability to deliver services to its citizens. They are understandably concerned about the Governor's proposed \$50 million property tax shift and loss of transportation dollars. An initiative that the California League of Cities and the State Association of Counties hope to put on the November ballot would prevent the state from taking money away from local government to solve the state's budget problems. A competing initiative from former Speaker Bob Hertzberg and the Governor would guarantee local property taxes in exchange for shifting other taxes, such as sales tax, to the state.

**L.A. Community College Trustees Mona Field**, who suggested that \$20 million of the \$80 million in the Governor's budget for equalization go for expansion of community college facilities.

**Ventura County Community College Board Vice-President Mary Anne Rooney** supports equalization funding at the proposed levels, and indicated that a deal within the system on this issue may be made public soon.

**Tarzana resident Joel Hyatt, M.D.** came to talk about health care coverage in California. **Dr. Peter Crooks** with Kaiser in Woodland Hills also stopped by to discuss health care issues.

**Ventura County's California Teachers Association member Helen O'Donnell** met with staff to discuss education priorities and budget impacts.

**Proton Energy Systems President/CEO Walter Schroeder and Tom Soto** introduced a company that manufactures hydrogen generators and their interest in the state's plans for a "hydrogen highway."

**Agoura Hills resident Robert Hazard** stopped by to discuss funding issues for individuals with developmental disabilities.

**Palisadian-Post News Editor Linda Renaud** visited with me to write a story for her paper about the State Capitol.

**Denis O'Leary and John MacArthur, Oxnard School District Trustees** discussed the dramatic increases in population and the need for more schools.

Among the many others visiting Sacramento were Pacific Palisades resident **Katie Braude**; **Janine Romano, President of the Communication Workers of America, Ventura County** and **Steward Tim Hammons**; **Malibu Councilmember Jeff Jennings** and **City Manager Katie Lichtig**; and **Westlake Village City Manager Ray Taylor, Planning Director Bob Theobald** and **Councilmembers Sue McSweeney, Mark Rutherford, Bob Slavin, and Philippa Klessig** talking about state budget impacts and Prop. 40 park bond act issues; and Santa Monica resident and psychologist **William Wallace**.

## Malibu Creek Steelhead Trout

Thanks to a \$400,000 Coastal Conservancy grant to Heal the Bay, endangered steelhead in Malibu Creek are going to find it easier to navigate upstream and to raise their young. Heal the Bay will use the funds to remove two barriers upstream of Rindge Dam that currently prevent steelhead from reaching about four miles of high-quality habitat. The grant will also fund replacement of invasive non-native plants, and removal of abandoned cars and other trash that degrades water quality and poses a threat to wildlife. Plans are also underway to determine the best way to remove Rindge Dam itself, which will be a major step toward the restoration of Malibu Creek back to what it should be

## Military Base Task Force

Sean Petersen, one of my Capitol Office staffers, attended a meeting last month of the Base Realignment and Closure (BRAC) Task Force. This issue has new relevance to me since the Pt. Mugu Naval Base is part of my Assembly District. The BRAC Taskforce plans to ask the Governor to talk with President Bush about the critical importance of California's military bases.

I sent a letter in January to the Defense Department, commenting on the draft Criteria for the 2005 BRAC, expressing my deep concern that the Criteria have neglected the essential contribution our Research, Development, Test and Evaluation installations make to total force capability. The U.S. Senate Select Committee on Defense and the Aerospace Industry will be looking at draft Criteria, which will be used to determine which bases to close and which to retain. The Pt. Mugu Naval Base is a major employer in Ventura County, and I will be working very closely with the other elected officials representing that area to protect both military bases in the County from closure.

## Teacher Alert

On March 17-18, the L.A. Museum of the Holocaust and The Anti-Defamation League, in cooperation with the LAUSD/UTLA 1939 Club, will present their 21<sup>st</sup> annual two-day educators seminar. This year it is entitled ***The Future of Holocaust Education – Teaching History in a World Without Survivors***. Speakers will include Dr. Michael Berenbaum, noted historian and author, and Dr. Sam Edelman, Professor of Modern Jewish and Israeli Studies at Cal State University Chico. For information on what sounds like a very interesting and important seminar, contact Rachel Jagoda, Director of the L.A. Museum of the Holocaust, at (323) 761-8170.

## Tax Tip for Teachers

To all credentialed teachers, don't forget to look into whether you can take advantage of the Teacher Retention Credit when you file your 2003 California income tax return. Although this Credit was suspended for the tax year 2002, the suspension ended on January 1, 2003. The Credit is based upon years of service as a credentialed teacher, and ranges from a \$250 credit for teachers who have completed less than six years of service, up to \$1,500 for 20 years or more of service. Check with your tax advisor as to whether you qualify, or refer to Form FTB 3505 and the Instructions for general information. Teachers need every break they can get, including on your taxes!

## Then..... And Now.

Compare the views of the San Fernando Valley in 1937 and 2004, taken from the Topanga Summit. If you have “then and now” photos of places in the 41<sup>st</sup> Assembly District, I’d love to share them.



West Valley Museum

Photo Courtesy of West Valley Museum



Photo: Timothy Lippman

## **Assemblymember Pavley's Committee Assignments**

Appropriations Committee  
Arts, Entertainment, Sports, Tourism, and Internet Media Committee  
Budget Committee  
Education Committee  
Transportation Committee  
Water, Parks and Wildlife Committee  
Select Committee on California Ports  
Select Committee on Coastal Protection  
Select Committee on the Future of California's Health  
Select Committee on National Defense, Technology and Jobs  
Select Committee on Sustainability  
Select Committee on Title IX  
Chair, Select Committee on Air and Water Quality  
Chair, Budget Subcommittee #3 on Resources  
Legislative Advisory Committee – Wildlife Conservation Board  
Legislative Advisory Committee – California Coastal Conservancy  
Santa Monica Mountains Conservancy Board

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